

## EXHIBIT 2

### **Clinic Funding via the Indian Health Program (IHP) Allocation Formula**

IHP primary care funds are distributed in compliance with Health and Safety Code Section 124585 (d) and Title 17, Chapter 3.1, Section 1532, according to a need and performance driven formula that is comprised of five weighted factors to grantees that meet the minimal eligibility requirements and were grantees in the previous fiscal year.

#### **Factor 1:**

***Systems Evaluation (SE) (46%):*** This factor is based on the scored biennial, on-site evaluation of the clinic's Medical, Dental, Community Health Services and Board / Administrative / Fiscal systems. Individual clinic scores are used to determine funding amounts for this component. The SE is conducted using rigorous protocols allowing for clinic preparation time and standardized evaluation processes. The SE review documents are based on the four IHP guidelines: 1) Board, Administration, and Fiscal, 2) Medical, 3) Dental, and 4) Community Health Services. This factor of the IHP clinic allocation formula addresses the demonstrated ability of a clinic to carry out proposed services and that the clinic has adequate staff to provide the services

#### **Factor 2:**

***Foundational Criteria (22%):*** A clinic eligible for IHP funding must provide at least two of the following three components: Medical, Dental and Community Health Services (CHS). Funds are distributed proportionately according to the service components that a clinic provides. This factor of the IHP clinic allocation formula addresses the ability of the program to comply with the statewide plan for Indian health services and existing priorities for services

#### **Factor 3:**

***Grant Objectives (15%):*** This factor measures how well grantees have met the numerical service objectives in their grants. Data to measure achievement of grant objectives are obtained from the number of **visits** reported on the Progress Reports submitted by the clinic. This factor of the IHP clinic allocation formula addresses the number of individuals to be served and the demonstrated ability of the clinic to carry out the proposed services.

#### **Factor 4:**

***Population Service Index (15%):*** Funding for this factor is based on the number of **individual** AI/AN patients actually served during the calendar year. Data to measure this factor are also obtained from the progress reports submitted by the clinic. A per capita rate based on the unduplicated patients served by each grantee determines the funds awarded for this factor. This factor of the IHP clinic allocation formula also addresses the number of individuals to be served.

#### **Factor 5:**

***Target Population (2%):*** This final factor recognizes the size of the AI/AN population in a clinic's service area. The population figures used are from estimates of the service area population prepared by the IHS using the U.S.

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Census Bureau. A per capita figure determines the funds awarded for this factor. This factor of the IHP clinic allocation formula also addresses the number of individuals to be served.